GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2675
ANSWERED ON:17.03.2006
GOVERNMENT STAKE IN BANKS
Rawale Shri Mohan

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn towards the news-item published in `Dainik Jagran` dated February 17, 2006 regarding demands of All India Bank Officers Association (AD3OA);

(b) if so, the facts of the matter reported therein;

(c) whether the Association has demanded not to reduce Government stake in banks;

(d) if so, the actual status in this regard and the reaction of the Government thereto;

(e) whether the Government propose to change the present amenities available to the bank staff/ officers`, and

(f) if so, the reasons therefor alongwith the measures proposed to be taken to pacify them?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) The news item, inter-alia, refers to All India Bank Officers Association (AIBOA) reservations on reduction of Government stake in public sector banks, discontinuation of appointment on compassionate ground and Non-performing Assets (NPAs) of Rs. 1,10,000 crore in Indian banks.

(d) As required in Sub-section 3 (2B) (c) of Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970/1980, the Government of India shareholding in all the nationalised banks is more than 51% The Gross and Net NPAs of scheduled commercial banks stood at Rs. 54,619 crore and Rs. 18,298 crore respectively as on 31st December, 2005.

(e) & (f) Switching over by banks to a scheme of monetary assistance in lieu of appointment on compassionate ground has never been a matter for discussion / negotiation at the industry level. The scheme is a non-statutory one and as such, is not enforceable. It also does not form part of the service conditions of ihe bank employees and hence, cannot be claimed as a matter of right by them. As none of the rights of the bank employees is violated in this matter, no industrial dispute lies therein.